



# Guaranteed Success

## Guaranteed Residential Loan Product

Newsletter for  
Florida and the Virgin Islands

Volume 7, Issue 5  
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### Benefits for Lenders

- *Flexible credit and qualifying ratios help open up a new market*
- *Competitive 30 year fixed rate and no expensive monthly mortgage insurance allows you to offer affordable payments*
- *There is no maximum purchase price or mortgage limit.*
- *Loan up to appraised value plus the one-time guarantee fee (wrap closing costs into the loan)*
- *Not limited to lesser of contract or appraisal*
- *Processing time is not slowed*
- *See [www.rurdev.usda.gov/fl/guarrhs.htm](http://www.rurdev.usda.gov/fl/guarrhs.htm) for more advantages.*

### Electronically submit loan packages

The underwriting lender may e-mail Rural Development packages to the appropriate FL/VI Agency local office. The Agency offices do not have a generic email address. The packages must be e-mailed or sent via regular mail to the Agency local manager serving the county where the property is located. A directory is included in this newsletter.

The subject line must contain the word "application" so that it will be forwarded when the primary contact is not available.

Mortgage brokers or lenders handling this loan product as a broker, will continue to send the Rural Development package along with the conventional underwriting package to the underwriting lender.

**EARN  
MORE**



**NOW!**

### CHECKLIST

Documents required by  
Rural Development.

Copies are acceptable

- Form RD 1980-21, "Request For Single Family Housing Loan Guarantee" (Look for a revision date of 6/06 in upper left corner.)
- Income verification
- Credit history verification
- Purchase agreement
- Appraisal with photos
- Uniform Residential Loan Application
- Lender's Loan Underwriting Analysis.
- FEMA Form 81-93, "Standard Flood Hazard Determination."

### Forms have been combined

Only one Agency form, the Form 1980-21 is required on end loans.

Conventional loan package forms are acceptable.

### AUTOMATIC WAIVER FRONT & BACK RATIOS

for energy efficient homes

Loans on all homes with CO dated January 1, 2001, or later may have an automatic 2% waiver on both the front and back ratio without additional documentation.

### Web Sites

Form 1980-21 found at:  
<http://forms.sc.egov.usda.gov/eforms/mainervlet>  
Eligibility calculator, maps, and more:  
[www.eligibility.sc.usda.gov/eligibility](http://www.eligibility.sc.usda.gov/eligibility)  
FL/VI site with information for individuals, lenders, realtors, and builders:  
[www.rurdev.usda.gov/fl/guarrhs.htm](http://www.rurdev.usda.gov/fl/guarrhs.htm)  
National regs, Administrative Notices, Forms  
[www.rurdev.usda.gov/regs](http://www.rurdev.usda.gov/regs)  
Recent national guidelines:  
[www.rurdev.usda.gov/regs](http://www.rurdev.usda.gov/regs) Click on 'Administrative Notices', look for those with '(1980-D)'



**Test for Rural Development qualification FIRST. It IS the best loan product for eligible families living in the Agency determined rural areas (including many suburbs of metro areas).**

## The Agency guarantee enables flexible eligibility criteria

- No down payment required
- No mortgage insurance
- Loan is not limited to lesser of contract or appraisal
- Include closing costs and prepaids up to appraised value
- Loan up to 102%\* of appraised value
- \*Appraisal may be exceeded by the amount of the one-time guarantee fee
- No cash reserves required
- No seller contribution limit
- No minimum contribution from borrower
- Unrestricted 100% gifted closing cost or down payment assistance is permitted
- No minimum credit score required...common sense underwriting allowed
- No limitation on source of funds for closing costs. No seasoning requirement
- No prepayment penalty
- No cash reserve requirement
- No First Time Homebuyer requirement
- No stated maximum loan amount; maximum loan based on repayment ability
- New and existing homes OK. Finance any type of home typical in conventional financing
- No limit on CLTV with soft second from SHIP or HOME
- Competitive rates (set by underwriting lender) with attractive fee income
- Flexible ratios
- No derogatory credit explanations with score of 660 +

Same day or next day service. Your loan processing is not delayed by Rural Development

## How to get started

- Underwriting lenders must have Agency approval. A checklist\* and forms\* are available on the web. The approval is typically a one or two day process.
- Either the underwriting lender or broker should submit a Form 1980-86, "Reservation of Funds" to the appropriate local Rural Development office (see page 4) prior to submission of a full application package. This assures an allocation is set aside for your borrower.
- Brokers submit the minimum package along with the underwriting package to the Agency approved underwriting lender. See the loan package checklist on page 1.
- Brokers do not need Agency approval.
- The underwriting lender, upon loan approval, submits the Agency package to the appropriate local Agency office.
- The Agency will issue it's Commitment on the same or next day. The Commitment, issued to the underwriting lender, provides any additional Agency loan conditions.
- \* [www.rurdev.usda.gov/fl/guarrhs.htm](http://www.rurdev.usda.gov/fl/guarrhs.htm)



**Loan is not limited to farm country! Loan in towns up to 10,000\* population (2000 census) and urban fringes of metropolitan areas.**

## Where can you lend? <http://eligibility.sc.egov.usda.gov/eligibility>

- The loan is restricted to Agency determined rural areas.
- Does this mean the loan can be originated ONLY in open areas outside of towns (farming area)? NO
- The Agency does not use city limits, census tracks, or zip codes in making the rural area determination.
- Many loans are originated in the urban fringe of metropolitan areas.
- Generally towns of less than 10,000 persons are eligible. However, the Agency is using 2000 census information. Towns that have grown to over 10,000 persons since 2000 remain eligible. There are exceptions. All communities in Lake County and Collier County are eligible.
- Counties not eligible are Broward, Dade, Monroe, and Pinellas.
- An interactive mapping program is available on the web. Type in an address for an instant determination or view a map.
- Go to the above web site.

## Do you understand the Rural Development income limits?

Do not assume a family is ineligible when their “gross” household income is above the income limits in the below chart. Adjusted gross income is used. To determine the comparable gross household income limits, add the applicable deductions to the limits shown in the chart.

Common deductions are:

- Verified child care expenses for a child 12 years or younger
- \$480 for each household member who is not the applicant or co-applicant and is: under 18 years old; 18 or over and is disabled; or full time student aged 18 or older.
- \$400 for an elderly family: (1) the head or spouse or sole member applicant or co-applicant who is 62 or disabled; or (2) two or more elderly (age 62 or older), disabled persons who are living together and one is the applicant or co-applicant.
- Uninsured medical expenses that exceed 3% of gross annual income.

	<u>1-person</u>	<u>2-person</u>	<u>3-person</u>	<u>4-person</u>	<u>5-person</u>	<u>6-person</u>	<u>7-person</u>	<u>8- person</u>
<u>All Florida &amp; Virgin Island Counties EX-CEPT:</u>	48,000	54,850	61,700	68,550	74,050	79,000	85,000	90,500
<u>Clay, Duval, Nassau, St. Johns</u>	48,550	55,500	62,400	69,350	74,900	80,450	86,000	91,550
<u>Collier</u>	56,200	64,250	72,250	80,300	86,700	93,150	99,950	106,000
<u>Palm Beach</u>	51,850	59,250	66,650	74,050	79,950	85,900	91,800	97,750
<b>Broward, Pinellas, Monroe are NOT eligible</b>								

EXAMPLE: In Collier County, a family of four with two children age 12 or less and paying \$10,000 annual child care could have a gross income of \$91,260.00. Proof: \$80,300.00 adjusted income limit plus \$10,000 child care plus \$960.00 (two-\$480 deductions) = \$91,260.00.

**NOTE:** There is no need to verify child care expenses if the gross income is less than the adjusted income for the number of persons in the household as shown in the chart.

In many areas, marketing to the higher end of the Rural Development income limits will enable you to match housing cost and repayment ability. This loan is an excellent product for assisting the much publicized housing needs of professionals such as teachers, firemen, policemen, nurses and many others. If they lack the 20% down payment for a standard conventional loan, they will qualify for this product (assuming other eligibility criteria are met).

See our income calculator and mapping program at: <http://eligibility.sc.egov.usda.gov/eligibility/> Click on “Single Family Housing” under “Income Eligibility”

## How does this compare to repayment income?

Repayment ability is calculated the customary way based on the dependable income of the borrower(s).

**Repayment ratios:** 29 front, 41 back. Automatic 2% waiver for homes build after January 1, 2001. Higher ratios that make sense and are recommended by the underwriter will be accepted.

## FL/VI Rural Development Local Office Directory

Baldwin:	Serves Duval, Clay, Nassau, St. Johns, Bradford, Baker, and Union Counties Contact: Denise Dailey, <a href="mailto:denise.dailey@fl.usda.gov">denise.dailey@fl.usda.gov</a> 904-266-0088, ext 4
Bartow:	Serves: Polk, Hardee, and Desoto Counties Contact: Peggy Johns, <a href="mailto:peggy.johns@fl.usda.gov">peggy.johns@fl.usda.gov</a> 863-533-2051, ext 4 Or Mary Ann Thomas, <a href="mailto:maryann.thomas@fl.usda.gov">maryann.thomas@fl.usda.gov</a>
Chipley:	Serves: Washington, Bay, and Holmes Counties Contact: Darren Gavin, <a href="mailto:darren.gavin@fl.usda.gov">darren.gavin@fl.usda.gov</a> 850-638-1982, ext 4
DeFuniak Springs:	Serves: Walton and Okaloosa Counties Contact: Perry Jackson, <a href="mailto:perry.jackson@fl.usda.gov">perry.jackson@fl.usda.gov</a> , 850-892-3712, ext 4
DeLand:	Serves: Volusia, Seminole, Putnam, and Flagler Counties Contact: Brenda Bryant, <a href="mailto:brenda.bryant@fl.usda.gov">brenda.bryant@fl.usda.gov</a> , 386-734-2535, ext 4
Live Oak:	Serves: Suwannee, Hamilton, LaFayette, Madison, Taylor, Jefferson, Columbia Counties Contact: Steven Dicks, <a href="mailto:roy.dicks@fl.usda.gov">roy.dicks@fl.usda.gov</a> 386-362-2681, ext 4
Marianna:	Serves: Jackson, Calhoun, Gulf, and Liberty Counties Contact: Debbie Petty, <a href="mailto:debbie.petty@fl.usda.gov">debbie.petty@fl.usda.gov</a> 850-526-2610, ext 4
Milton:	Serves: Santa Rosa and Escambia Counties Contact: Diane Collar, <a href="mailto:diane.collar@fl.usda.gov">diane.collar@fl.usda.gov</a> , 850-623-2441, ext 4
N. Fort Myers:	Serves: Lee, Charlotte, Sarasota, Hendry, Glades, Broward, Dade, and Monroe Counties Note: Broward, Monroe, and most of Dade are not eligible Contact: Bonnie Bailey, <a href="mailto:bonnie.bailey@fl.usda.gov">bonnie.bailey@fl.usda.gov</a> , 239-997-7331, ext 4
Ocala:	Serves: Marion, Citrus, Alachua, Levy, Gilchrist, and Dixie Counties Contact: Lisa Krug, <a href="mailto:lisa.krug@fl.usda.gov">lisa.krug@fl.usda.gov</a> 352-732-9840, ext 4
Okeechobee:	Serves: Okeechobee, Highlands, Indian River, St. Lucie, Martin, Palm Beach Counties Contact: Marilu Gutierrez, <a href="mailto:maria.gutierrez@fl.usda.gov">maria.gutierrez@fl.usda.gov</a> 863-763-3345, ext 503
Plant City:	Serves: Hillsborough, Pinellas, Manatee, Pasco Counties NOTE: Pinellas County is not eligible Contact: Angela Smith, <a href="mailto:angela.smith@fl.usda.gov">angela.smith@fl.usda.gov</a> , 813-752-1474, ext 4
Quincy:	Serves: Gadsden, Leon, Wakulla, and Franklin Counties Contact: Sheneena Forbes, <a href="mailto:sheneena.forbes@fl.usda.gov">sheneena.forbes@fl.usda.gov</a> , 850-627-6365, ext 4
St. Croix:	Serves: St. Croix, St. Johns, and St. Thomas Counties Contact: Kimme Bryce, <a href="mailto:kimmie.bryce@pr.usda.gov">kimmie.bryce@pr.usda.gov</a> , 340-773-9146, ext 4
Tavares:	Serves: Lake, Sumter, Osceola, Hernando, Orange, and Brevard Counties Contact: Hilary Cook, <a href="mailto:hilary.cook@fl.usda.gov">hilary.cook@fl.usda.gov</a> , 352-742-7005, ext 4

### Need training? Need assistance with seminars for your customers?

The Rural Development managers and their staff are available to train your staff at your location. They are available to assist with seminars, both in the arrangements and presentation. They are available to assist you with individual loan-by-loan assistance. Loan files must be shipped through the underwriting lender.